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1966  
*Annual Report*

VICTORIA  
AND GREY  
TRUST  
COMPANY



# VICTORIA AND GREY TRUST COMPANY

Head Office - - - Lindsay, Ontario

## BRANCHES

BELLEVILLE	175 Front St.
BRAMPTON	11 Main St. S.
CANNINGTON	Cameron St.
EXETER	425 Main St.
GODERICH	Elgin & Kingston Sts.
HANOVER	255-10th Ave.
KINGSTON	168 Wellington St.
LINDSAY	85 Kent St. W.
LISTOWEL	Main & Wallace Sts.
MEAFORD	2 Trowbridge St.
NEWMARKET	198 Main St.
ORILLIA	12 West St. N.
OWEN SOUND	857 Second Ave. E.
PETERBOROUGH	437 George St. N.
PORT CREDIT	36 Lakeshore Rd. E.
RENFREW	228 Raglan St. S.
RICHMOND HILL	121 Yonge St. N.
ST. MARYS	Queen St.
STRATFORD	1 Ontario Street
TORONTO	2200 Yonge St.
	1887 Eglinton Ave. W.
	2262 Bloor St. W.
	635 College St.
	1520 Danforth Ave.
WHITBY	308 Dundas St. W.

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DIRECTORS

John R. Anderson, Q.C.	Stratford, Ont.
K. B. Clysdale	St. Mary's, Ont.
E. N. Cooper	Meaford, Ont.
S. A. Flavelle	Lindsay, Ont.
C. G. Fleming	Owen Sound, Ont.
G. D. Fleming	Owen Sound, Ont.
J. G. Fraser	Owen Sound, Ont.
Hon. L. M. Frost, Q. C.	Lindsay, Ont.
W. H. Gregory	Stratford, Ont.
Hon. Walter Harris, Q.C.	Markdale, Ont.
S. K. Ireland	Stratford, Ont.
Dr. H. B. Kenner	Stratford, Ont.
Col. T. A. Kidd	Kingston, Ont.
* H. R. Lawson, F.S.A.	Toronto, Ont.
W. B. Lemon	Owen Sound, Ont.
H. J. McLaughlin, Q.C.	Toronto, Ont.
R. N. McLaughlin	Toronto, Ont.
W. L. Moore, Q.C.	Orillia, Ont.
Dr. G. A. Morton	Belleville, Ont.
F. G. Perrin	Lindsay, Ont.
J. R. Sinclair	Peterborough, Ont.
R. H. Soward, Q.C.	Toronto, Ont.
K. W. Taylor	Hamilton, Ont.

\* Resigned May, 1966.

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# ANNUAL REPORT

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## OFFICERS

Chairman of the Board	H. J. McLaughlin, Q.C.
President	Hon. Walter Harris, Q.C.
Vice-Presidents	E. N. Cooper
	S. A. Flavelle
	J. G. Fraser
	F. G. Perrin
	* H. R. Lawson, F.S.A.
General Manager	
Secretary and Treasurer	R. G. Thomas, Q.C.
Assistant General Managers	A. V. Crate
	E. M. Malcolm
	G. E. Phelps
Comptroller	J. R. Anderson, C.A.
Chief Accountant	F. C. Pugh, C.A.
* Resigned	

## TO OUR SHAREHOLDERS

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This has been another year of satisfactory growth in the assets and earnings of the Company. At the start of the year there was \$289,789,783 in Company, Guaranteed and Estates accounts, and at the end \$315,205,608; profits before taxes increased from \$2,007,007 to \$2,899,866. Last year's earnings did not include the earnings of the British Mortgage and Trust Company for the eleven months prior to the merger.

During the year, interest rates steadily increased, and the demand for money was greater than at any time in the history of the Company. The growth in deposits and guaranteed investment certificates was over \$17 million and to invest this we concentrated on residential loans. The short term outlook will still be affected by the excess demand for money.

As the 1965 report implied, the major problem for 1966 was the disposal of certain British Mortgage and Trust Company assets. During the year we sold real estate acquired from the British with a book value of over \$1,600,000 and obtained substantial payments on account of what had been considered doubtful short-term notes and collateral loans. We still hold some doubtful assets acquired from British, and we have thought it prudent to retain allowances for losses set up last year as a precaution against any such losses on realization of these assets. The disposal of assets in 1966 was accomplished well within the limits we had anticipated at the time of the merger.

Early in 1966 the Company arranged for the issue of \$5,000,000 preference shares for cash. The outstanding capital stock of the Company now consists of 100,000 preference, and 1,391,062 common shares. After provision for investment reserves, the net profit after taxes was \$1,546,238. Out of this we paid the three required dividends

on the preference shares of \$186,518 leaving a net per share for common shares before transfer to Mortgage Reserve of 97¢ and 64¢ after such transfer. We have continued the policy of both merging companies and out of the profits have appropriated to the mortgage reserve the largest amount allowed for income tax purposes.

The directors express their appreciation to the General Manager and Staff for a year of extra effort, and heavy additional administrative work as a result of the merger. We believe that a large part of this will be completed in 1967 and the full efforts of the staff will be available for current operations.

We have purchased an office building at 197 Bay Street, Toronto, which after renovations will be the headquarters for our consolidated Toronto business. We expect to open the premises for business in the Spring and will be providing all those additional services which are expected of a substantial loan and trust company.

We wish to express our appreciation of the services of Mr. Harold Lawson who acted as President of British Mortgage & Trust Company for a short period down to the date of the merger, and continued as a director of Victoria and Grey Trust Company until his appointment as President of Glens Falls Insurance Company involving his change of residence from Canada to the United States.

Yours sincerely,  
Hugh J. McLaughlin,  
Chairman.

Walter E. Harris,  
President.

# VICTORIA AND G

## BALANCE SHEET

COMP

### ASSETS

Cash .....	\$ 317,973
Bonds .....	2,571,540
Stocks .....	8,166,088
Mortgages .....	1,223,108
Advances to estates and trusts .....	57,611
Office premises, at cost less depreciation ...	3,785,573
Excess of cost of assets acquired upon amalgamation over amounts allocated to assets included in other balance sheet classifications (note 1) .....	5,158,873
Refundable tax .....	32,503
Other assets .....	80,386

\$ 21,393,655

GUARAN

Cash .....	\$ 3,528,483
Bonds	
Government and provinces	
of Canada .....	\$ 39,619,400
Municipal .....	3,634,527
Other .....	4,235,307
	<u>47,489,234</u>
Short-term notes .....	1,800,000
Collateral loans .....	2,449,990
Mortgages .....	197,441,491
Investment in real estate, at cost	
less depreciation .....	314,022
Real estate held for sale .....	2,148,358
	<u>\$255,171,578</u>

Total Assets — company and guaranteed funds \$276,565,233

ESTATES, TRUS

Unrealized assets, cash and investments of estates, trusts and agencies under administration .....	\$ 38,640,375
	<u>\$ 38,640,375</u>
Total assets under administration .....	<u>\$315,205,608</u>

H. J. McLaughlin, Q.C., Chairman of the Board



# STATEMENT OF UNDIVIDED PROFITS

FOR THE YEAR ENDED OCTOBER 31, 1966

Profit for the year before income taxes .....		\$ 2,899,866	
Income taxes (note 4) .....		1,353,628	
			<hr/>
Net profit for the year .....		1,546,238	
Undivided profits from previous year .....		141,521	
			<hr/>
			1,687,759
Appropriations:			
Transfer to mortgage reserve	\$ 968,348		
Less applicable reduction in			
income taxes .....	503,541		
			<hr/>
			464,807
Transfer to General Reserve ...	303,740		
Dividends to shareholders			
preference .....	\$186,518		
common .....	521,679	708,197	1,476,744
			<hr/>
Undivided profits carried forward .....		\$ 211,015	<hr/> <hr/>

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Victoria and Grey Trust Company as at October 31, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances, including verification of cash, bank balances and securities of the company.

In our opinion the accompanying balance sheet presents fairly the financial position of the company as at October 31, 1966.

GAVILLER & COMPANY  
Chartered Accountants

GUNN, ROBERTS AND CO.  
Chartered Accountants

Lindsay, Ontario, November 25, 1966.

# NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 1966

1.

The consideration given for the net assets acquired upon amalgamation in 1965 exceeded the amounts allocated to tangible assets by \$5,158,873.

To the extent that this amount is not recovered upon realization of tangible assets acquired upon amalgamation, it will be charged against future earnings.

2.

Bonds, short-term notes, stocks, collateral loans, mortgages and real estate held for sale are reflected in the balance sheet at the amounts remaining after deducting allowances for losses on realization.

3.

Bonds and stocks held for company and guaranteed funds are shown at amounts which in the aggregate do not exceed quoted market value.

4.

Income taxes on the recovery of certain assets acquired upon amalgamation in 1965 have been charged against allowances for losses on realization of such assets.

## 1966 ADVISORY COMMITTEES

### OWEN SOUND

J. G. Fraser  
C. G. Fleming  
W. B. Lemon  
E. N. Cooper  
D. F. Cowling  
K. D. Johnston, Manager

### PETERBOROUGH

J. R. Sinclair  
Dr. W. S. Fitzpatrick  
H. S. Matthews  
J. F. Richardson  
Hugh Waddell  
J. G. Mosley, Manager

### LINDSAY

F. G. Perrin  
S. A. Flavelle  
A. E. Hick  
W. J. Shields  
R. H. Soward, Q.C.  
B. C. Maidens, Manager

### BELLEVILLE

Dr. G. A. Morton  
G. A. Freeman  
W. L. McDougall  
J. N. Yanover  
G. H. Trill, Manager

### ORILLIA

W. L. Moore, Q.C.  
T. G. Beament  
H. E. M. Payne  
R. W. Smith  
J. N. Spencer  
R. C. Puffer, Manager

### KINGSTON

Col. T. A. Kidd  
J. R. Henderson  
L. H. Leach  
R. C. Oaks  
G. G. Thomson  
C. K. Johnston, Manager

### STRATFORD

Dr. H. B. Kenner  
W. H. Gregory  
John R. Anderson, Q.C.  
S. K. Ireland  
W. H. Somerville, Manager

### GODERICH

Daniel Murphy  
E. Beecher Menzies  
John K. Scully  
W. R. Curry, Manager

## AND BRANCH MANAGERS

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BRAMPTON — E. R. Rowlands

CANNINGTON — W. G. Laird

EXETER — A. J. Loader

HANOVER — T. G. Fyfe

LISTOWEL — C. I. Stief

MEAFORD — C. R. Brown

NEWMARKET — L. J. Ruby

PORT CREDIT — M. E. Weber

RENFREW — C. C. Fitzgerald

RICHMOND HILL — M. N. Foyle

ST. MARYS — C. V. Barrett

### TORONTO

2262 Bloor — D. F. Hiller

635 College — J. T. Maslen

1520 Danforth — D. J. Bensette

1887 Eglinton West — F. B. DeProfio

2200 Yonge — R. A. Holmes

WHITBY — G. T. W. Whattam

## OUR SERVICES

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### **SAVINGS ACCOUNTS:**

Interest computed on the minimum half-yearly balance and credited half-yearly. Chequing privileges.

### **SPECIAL DEPOSIT ACCOUNTS:**

(Minimum account \$1,000.) Interest is calculated on the minimum monthly balance. Withdrawals may be made at any time by depositor on presenting pass-book.

### **GUARANTEED INVESTMENT CERTIFICATES:**

Provide an excellent short term investment and are unconditionally guaranteed by the Company.

### **RETIREMENT SAVINGS PLANS:**

Individuals can now save on their income tax and provide pensions for their retirement by participating in Victoria and Grey Retirement Savings Plan.

### **MORTGAGE LOANS:**

On residential properties, good improved farms and well located business properties.

### **SAFETY DEPOSIT VAULT:**

Safety Deposit Boxes at modest cost for securities and valuable documents.

### **ESTATES:**

The Company acts as executor or administrator of estates, and brings to estates the knowledge and experience necessary for efficient-administration, and the advantage of a continuing existence.

### **TRUSTS:**

For those too busy or unable to look after their own investments, the Company will act as Trustee.

### **AGENCIES:**

The Company acts as agent for the management of Real Estate, Mortgages and Investments for individuals, also will carry on the administration of estates as agent for individual executors and trustees.

### **TRUSTEED PENSION PLANS:**

Please enquire about the main advantages which any employer should consider when developing or amending a pension plan and why trustee underwriting has become so popular.



